

The President's Daily Brief

16 January 1973

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THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

In South Vietnam, two North Vietnamese artillery battalions near Da Nang have passed orders relating to an impending cease-fire date. Meanwhile, the fight for Hiep Duc is shaping up as a major battle. (Page 1)

Rail shipments from the USSR to North Vietnam continue at high levels despite transportation difficulties within China. (Page 2)

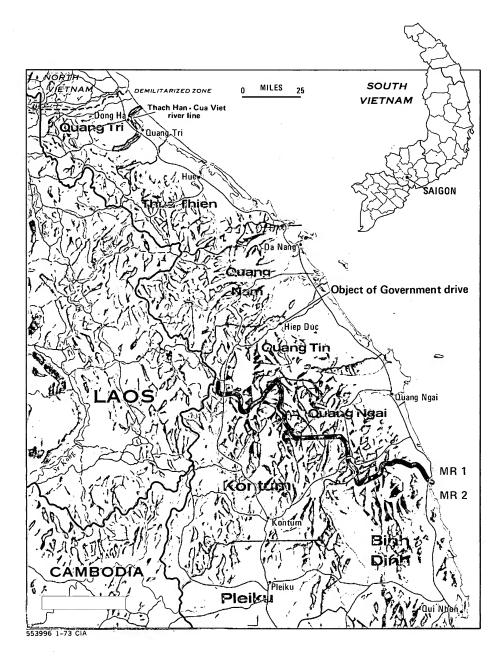
The Chinese are seeking to block increased Japanese economic cooperation with the USSR. (Page 3)

In discussions with President Pompidou last week, party chief Brezhnev voiced displeasure over the inconclusive wrangling during the first round of the preparatory talks on the Conference on Security and Cooperation in Europe. (Page 4)

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Thai Prime Minister Thanom has announced that he plans to step down as armed forces supreme commander in August—a shift that could have considerable importance over the long run. (Page 8)

FOR THE PRESIDENT ONLY



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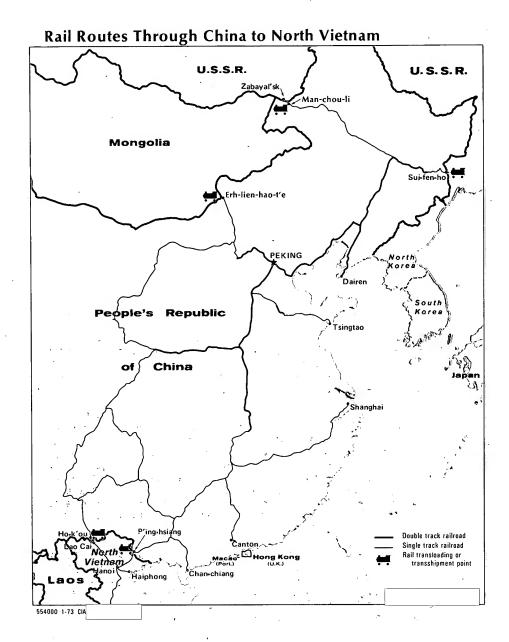
SOUTH VIETNAM

Two North Vietnamese artillery battalions near Da Nang have passed orders relating to an impending cease-fire date, which "both we and the enemy know." In messages sent yesterday, subordinate units were told to prepare for orders to strike--in one battalion the unit is to use up all rounds by the given day and time.

The fight for the district town of Hiep Duc, meanwhile, is shaping up as a major battle. South Vietnamese forces pushing toward the town against determined enemy resistance now control two strategic highpoints on the northeastern approaches. The three combat regiments of the North Vietnamese 711th Division, supported by artillery and provincial units, are hanging on to their strong defensive positions ringing the town.

There have been substantial enemy losses in the past few days. Intercepts show that enemy ammunition stocks have been destroyed, and that the Communists have had to revamp their plans for countering the South Vietnamese advance.

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USSR - CHINA - NORTH VIETNAM

railcars and locomotives at Man-chou-li, t Sino-Soviet transit pointa figure previo		25X1
equaled only last July		25X1
		ZOAI
At the Sino-M	ongolian	25X1
station of Erh-lien-hao-te almost 500 cars	and loco-	
motives were also noted		25X1
		25X1
The presence of indicates increased use of the border cros points for Soviet cargoes bound for North	-	25X1
Soviet grain and petroleum produ	cts ac-	

Transportation difficulties within China occasionally have hampered deliveries to Vietnam. In December some shipments of Chinese foodstuffs were delayed, and this month the delivery of rice and maize is being held up.

creased shipments.

count for a large portion of these in-

Although China lacks enough freight cars to meet all requirements, the shortage almost certainly is not delaying the shipment of essential war supplies.

CHINA-JAPAN-USSR

During the visit to Peking of Japanese Trade Minister Nakasone, which begins tomorrow, the Chi- nese expect to be extremely blunt in warning of the dangers for Tokyo of an expansion of economic co- operation with Moscow.	25X1 25X1
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At the same time, the Chinese are dangling the prospect of a further expansion in the already high level of Sino-Japanese trade. Negotiations are apparently close to conclusion for Peking to purchase one and perhaps two entire Japanese synthetic materials plants financed by five-year Japanese Exim Bank loans at a low interest rate.

Since the Cultural Revolution Peking has accepted only short-term commercial credits.

While the Chinese obviously see Japan as critical in their competition with the Soviet Union, they are still likely to proceed cautiously in their economic diplomacy. Tokyo is already China's largest trading partner, and Peking will remain wary of becoming so closely entangled with Japan as to risk economic dependence on Asia's strongest industrial power. At the same time, the Chinese will almost certainly avoid going to the other extreme of overreacting if Japan actually consummates its Siberian deal with Moscow.

These limitations on Peking's options could benefit Tokyo in its dealings with both the Soviet Union and China.

USSR-FRANCE

The French ambassador in Moscow briefed Ambassador Beam yesterday on the meetings last week between President Pompidou and party leader Brezhnev.

Brezhnev professed to be very unhappy over the inconclusive wrangling during the first round of the preparatory talks on the Conference on Security and Cooperation in Europe. He complained that the big powers had not exerted their "moral authority," thus permitting those "with fewer reponsibilities" to try to take the lead.

> Brezhnev was more pointed in his recent talks with Finnish President Kekkonen when he specifically blasted the Romanians and tried to get the Finnish chairman to control the talks more effectively.

Brezhnev did hint that the Soviets may propose confidence-building measures more attractive to the smaller countries. He remained insistent, however, that the conference be completed as soon as possible and that it end with a summit-level meeting.

Brezhnev reiterated Soviet interest in the strict separation of the CSCE from the forthcoming talks on mutual and balanced force reductions. Pompidou was noncommittal on Brezhnev's call for French participation in the force reduction talks.

Commenting on US-Soviet relations, Brezhnev said there had been "no basic change" since the May summit, although "progress had been more deliberate than at first thought." He said his visit to the US would be made at the "most appropriate time," and that the schedule would be influenced by the international situation, US-Soviet relations, and domestic demands on his time. Brezhnev told the French it is now possible to envisage a Vietnam agreement and stressed that the USSR strongly desires this result.

Brezhnev admitted to Pompidou that he had been ill last autumn and absent from his duties for about two months. He seems fully back in good health now. He was relaxed and showed plenty of stamina in long sessions with Pompidou.

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USSR

the Soviets 25X1

have assembled another new radar at the launch complex where a new Soviet ABM system has been under development since 1970.

This radar is similar in most respects to one that was installed at an adjacent site in the complex in late 1970. We believe that each of these radars is capable of tracking more targets simultaneously than the type associated with the Galosh ABM system at Moscow.

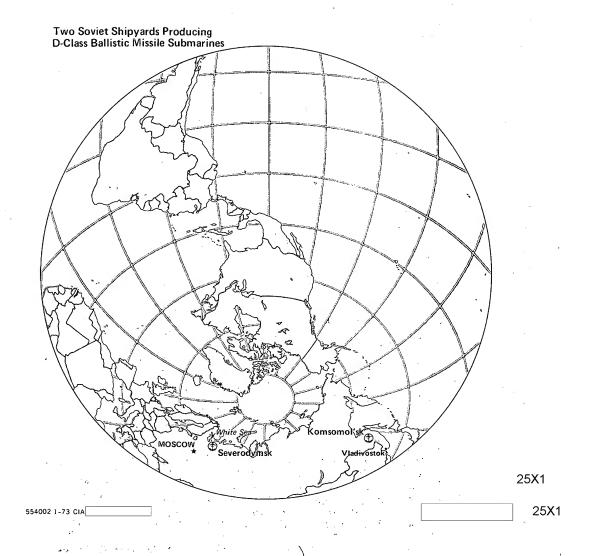
The missile for the new ABM system has slightly higher acceleration than the Galosh, but lacks the fast reaction capability of the US Sprint. It was last flight-tested in December 1971.

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We expect both yards to shift fully to production of the D-class. There should be about seven launches in each of the next two years, and most of these will be D's.

The D-class is designed to carry 12 SS-NX-8 missiles, which have a range of 4,300 nautical miles. The first D-class unit was launched early last year, and has been undergoing sea trials. We expect that it will be fully operational by the end of this year.

Deployment of the D-class will significantly expand the targeting and launching options open to Soviet naval planners. Even from the submarines' bases, almost any area of the US is within range.

THAILAND

Prime Minister Thanom has announced that he plans to step down as armed forces supreme commander in August.

This shift--disclosed seven months in advance--could have considerable importance over the long run. General Praphat, who shares authority in the Thai regime with Thanom, was named to the top post, which is largely ceremonial. This clears the way for the number two man in the army, General Krit Sivara, to replace Praphat as army commander. It would be the clearest indication thus far that the aging Thanom and Praphat are beginning to lay the groundwork for an orderly transfer of power to a trusted member of the military leadership. Krit is politically ambitious and popular within the business circles and the military.

NOTE

	USSR: Last night the unmanned lunar probe	
	that was launched from Tyuratam on 8 January soft	
	landed on the moon after orbiting it for about three days. The probe apparently carried a self-	
	propelled rover vehicle similar to the one that was	
	placed on the moon in November 1970.	05)//
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1	The earlier rover	
	vehicle operated on the moon for more than ten	
	months	25X1
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